Statement

The financial results for the quarter ended 30th June, 2005 compared with 30th June 2004

(Rs. in Crore)

Sl. No.	Particulars	3 months ended 30, June 2005 Unaudited	3 months ended 30, June, 2004 Unaudited
1.	Net Sales/Income from operations	10869.74	10294.30
2.	Other Income	298.57	302.03
	TOTAL INCOME	11168.31	10596.33
3.	Expenditure		
	(a) (increase)/Decrease in Stock in Trade	-1,81	-22.55
	(b) Consumption of raw materials	33.48	30.78
	(c) Staff expenditure	280.70	316.50
	(d) Statutury levies	2499.56	2315.15
	(e) Other expenditure	1017.06	1174.25
	(f) Purchases (Trading)	935.64	1327.45
	TOTAL EXPENDITURE	4764.63	5141.58
4.	Interest	2.18	8.19
5.	Depreciation	1351.73	1623.41
6.	Profit before Tax (1+2-3-4-5)	5049.77	3823.15
7.	Provision for Taxation	1730.89	1514.95
8.	Net Profit (6-7)	3318.88	2308.20

Sharing burden of under recoveries by oil PSUs

2294. SHRI GIREESH KUMAR SANGHI:
DR. T. SUBBARAMI REDDY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to answer to Unstarred Question 915 given in the Rajya Sabha on 2nd August, 2005 and state:

(a) whether his Ministry is in consultation with ONG Corporation, Oil India Ltd., Gas Authority of India Ltd. and other private companies over sharing the burden of under-recoveries; and

(b) if so, what is the outcome of the discussions held and to what extent they have agreed?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir.

(b) Since the past few years, there has been an unprecedented, sharp and spiraling increase in international oil prices with considerable week-to-week and even day-to-day volatility. Comparative figures showing international and domestic prices of crude and sensitive petroleum products are as under:

Trend in International Prices

Period	Indian Basket Crude ($/bbl)	Petrol ($/bbl)	Diesel ($/bbl)	Kerosene ($/bbl)	LPG ($/MT)
March 2002	23.31	26.43	23.27	23.65	194.00
2002-03	26.66	30.15	28.93	29.33	280.40
2003-04	27.96	35.03	30.48	31.19	278.45
2004-05	39.22	49.01	46.91	49.50	368.52
2005-06 (Apr-Jul'05)	51.08	58.85	62.58	66.21	408.30
8th August 2005	58.83	70.70	66.49	69.71	403.60
% Increase (8.8.2005 over Mar'02)	**152.4%**	**167.5%**	**185.73%**	**194.75%**	**108.04%**

Trend in Domestic Prices

Period	Petrol Rs./Litre	Diesel Rs./Litre	Kerosene Rs./Litre	LPG Rs./Cylinder
As on 31st March 2002	26.54	16.59	8.98	240.45
As on 8th Aug 2005	40.49	28.45	9.05	294.75
% Increase 8th Aug 2005 over Mar' 02)	**52.6%**	**71.5%**	**0.8%**	**22.6**

As shown above, the increases in international prices have not been fully passed on in the domestic retail prices of the four sensitive products, *viz.*, petrol, diesel, kerosene and domestic LPG, resulting in huge under-recoveries for the public sector oil marketing companies (OMCs). As decided by Government, the three upstream oil companies, ONGC/OIL/ GAIL, have been sharing the burden of under-recoveries since 2003-04. The share of upstream companies during the past 2 years and first quarter of the current year is as under:

(Rs. crores)

Name of Company	2003-04	2004-05	April-June 2005
ONGC	2,695	4,104	2,896
OIL	—	706	228
GAIL	428	1,137	153
TOTAL	3,123	5,947	3,257

OMCs have also initiated a dialogue with both public and private sector stand-alone refiners to provide suitable trade discounts in the refinery transfer price to offset their under-recoveries.

Purchase of crude from Israel

2295. DR. T. SUBBARAMI REDDY:
SHRI MOOLCHAND MEENA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether India propose to diversify its sources of crude supplies by using an Israeli pipeline to access crude oil from the Central Asia and Caspian Sea region to feed its fuel needs;

(b) if so, whether any agreement between India and Israel has been reached;

(c) if so, the details thereof; and

(d) whether Russia had also proposed to use the Israeli pipeline for export of oil to Asia?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (d) Given the increasing dependence on imported crude, it is the constant endeavour of the Government to diversify its sources of crude supplies. Accordingly, the possibility of using the Ashkelon-Eilat (Israeli) pipeline for crude oil that India may pick up at the Ceyhan Terminal of the Baku-Tiblisi-Ceyhan (BTC) pipeline, as a supplement to the Suez Canal route, has been mooted for use, if required. While no agreement has been signed between the Government of Israel and Government of India in this regard, the oil companies will consider using Ashkelon-Eilat pipeline, subject to commercial economics, once the pipeline is made operational by the end 2005.

New policy on allotment of retail outlets

2296. SHRI BALAVANT ALIAS BAL APTE:
SHRI KRIPAL PARMAR:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state: